Before It’s Too Late: The Stay Interview

Dick Finnegan
Founder, Retention Institute

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Dick Finnegan’s Bio

- “Recovering HR director” who has solved turnover in most industries and across 6 continents, including African gold mines and the CIA

- Author of “Rethinking Retention in Good Times and Bad”, co-published by SHRM and endorsed by BusinessWeek as offering “fresh thinking for solving the turnover problem in any economy”

- Founder of the Retention Institute which offers the Certified Employee Retention Professional program (CERP) where candidates apply tools in real time to solve their organization’s retention problems, based on the Rethinking Retention™ model

- CERP candidates are eligible for up to 26 HRCI credits
Today’s Contents

1. “Resume Tsunami”

2. 3 Ps Quiz

3. Rethinking Retention\textsuperscript{sm} Model
   a. Retention is \textit{Goals and Tools}

4. Supervisors’ Impact on Retention

5. Stay Interviews including a mini case study

6. A concluding offer
“Resume Tsunami”

3 Studies on Employee’s Post-Recession Intentions

✓ Deloitte warns companies to expect a “resume tsunami” as 49% are looking or plan to look as the economy improves (September, 2009)

✓ Right Management reports 60% plan to look as the economy improves (November, 2009)

✓ Execunet and Finnegan Mackenzie found more than 90% of executives would take a recruiter’s call and more than half are already looking (July, 2009)
Three Ps Quiz

Which of the following should be addressed first for helping an organization improve its profits?

- People
- Products
- Processes
Three Ps Quiz

Watch the Webcast for the Answer
The Rethinking Retention Model
Process or Program-Driven?

Retention processes driven by executives from the top like sales, service, quality, and safety.

Retention programs driven by HR from the side like hiring, performance management, others.
Research-Driven, Process-Based

ACHIEVE BUSINESS OUTCOMES
More sales, better quality, service, safety ... and profits

IMPLEMENT STRATEGIES
- Hold supervisors accountable
- Develop supervisors to build trust
- Narrow the front door
- Script first 90 days
- Challenge policies
- Calculate turnover’s cost
- Drive from the top

BUILD ON PRINCIPLES
- Employees quit because they can
- Employees stay for things they get uniquely from you
- Supervisors drive retention ... and turnover

START WITH PROCESSES
Manage retention like sales, service, quality and safety
The Rethinking Retention Model

3 Principles…

Point #1. Employees quit jobs because they can

Point #2. Employees stay for things they get uniquely from you

Point #3. Supervisors build unique relationships that drive retention…or turnover
The Rethinking Retention Model

For supervisors…

Point #4. Hold supervisors accountable for achieving retention goals
Point #5. Develop supervisors to build trust with their teams

For people management processes…

Point #6. Narrow the front door to close the back door
Point #7. Script employees’ first 90 days
Point #8. Challenge policies to ensure they drive retention

For top management…

Point #9. Calculate turnover’s cost to galvanize retention as a business issue
Point #10. Drive retention from the top, as executives have the greatest impact on achieving retention goals
Retention is *Goals & Tools*!

2 Key Principles

Point #2: Employees stay for things they get uniquely from you

Point #3. Supervisors build unique relationships that drive retention...or turnover

2 Key Strategies

Point #4: Hold supervisors accountable for achieving retention goals

Point #5. Develop supervisors to build trust with their teams

This is the road to moving retention from HR to Operations, from HR programs to *Business Processes*!
Experience tells us that the best way to make things happen in organizations is to drive them from top to bottom...think sales, service, quality, safety.

Intuitively, the same should be true for retention but is there data from respected research that tells us this is true?
Supervisors’ Impact on Retention

“If you have a turnover problem, look first to your managers”…Gallup

Primary reason for seeking a new job is disliking boss’s performance…Yahoo

Employees stay for managers first and co-workers second…salary.com

Poor leadership causes over 60% of all employee turnover…Saratoga Institute

“When employees stay, it is because of their immediate managers”…National Education Association

Employees who stay primarily for their supervisors stay longer, perform better, and are more satisfied with their pay…TalentKeepers

Given the high cost of turnover, it is clear that poor managers…dramatically increase the cost of operations…Kenexa
The Real Power of Supervision

More importantly, a study by Kenexa confirms that employees’ satisfaction with pay, benefits, learning, development, and advancement is “mediated” by their relationships with their supervisors and concludes:

“Offering a higher salary or developmental/advancement opportunities may not be enough to retain employees”

So it appears that poor supervision overcomes the benefits of pay and development…and leads to higher turnover
4 Thoughts to Ponder

1. Poor supervisors will trump good employee programs

   \[ \text{good programs} + \text{good supervisors} = \text{retention} \]
   \[ \text{good programs} + \text{poor supervisors} = \text{turnover} \]

2. Poor supervisors also trump good pay and development, and drive higher turnover

3. “Supervisors” refers to anyone who supervises people including executives and senior managers so all must have retention skills

4. If one or more of your supervisors fails to build effective retention relationships, what other legitimate advantages do you offer your employees that your competition for talent does not?
What is a Stay Interview?

- **One-on-One**: A Stay Interview is a one-on-one meeting each manager and supervisor has with each direct report in order to learn why that employee stays with your company.

- **Local action**: Each manager and supervisor then acts on the stay reasons in order to increase the likelihood the employee will stay with your company longer and be more productive.

- **Aggregates results**: Each manager and supervisor also records the stay reasons for their combined team and forwards this information upward so your company can take actions based on common stay reasons.

- **Tops-down**: The Stay Interviews will be conducted tops-down, meaning each manager and supervisor will participate in a Stay Interview as an employee before conducting one as a manager or supervisor.
How Do Stay Interviews Work?

1. Executives, managers, and supervisors attend stay interview training

2. Conduct interviews cascading, beginning with executives

3. Record data and build stay plans for each employee

4. Review stay plans with their managers

5. Implement stay plans for individual employees

6. Send aggregated results to HR for EVP and future policy
Are Exit Surveys Better?

Exit Interviews
- Are “autopsies” but not as scientific
- Leavers won’t burn bridges and hide real reasons
- “Attendance” and “abandonment” offer no solutions
- HR managers say nothing happens as a result

Stay Interviews
- Focus on current employees we want to keep
- Remove the “middle man” so supervisors hear directly how to keep employees
- Employees hear “We want you to stay”
- Next steps are in supervisors’ hands vs program solutions
Are Opinion Surveys Better?

Opinion Surveys

- Are anonymous so don’t reveal specific employees’ inputs
- Ask for opinions but not importance; Leaves us wondering *Would this item cause them to leave?*
- Focuse on topics beyond supervisors’ control
- Leads to reports and action plans that usually include more program fixes vs better 1-1 supervision

Stay Interviews

- Supervisor hears specifically why each employee stays, would leave
- Employee’s priorities are clearly expressed and understood
- Designed to learn what employees need each day from supervisor and team
- Next steps are in supervisors’ hands vs program solutions
Scripts and Skills

Scripts:

“I want to talk with you today about the most important reasons you stay with us because I hope we work together here for a long time”

- alternative script for poor performers

“My greatest interest for today’s meeting is to learn what I can do to make this a great place for you to work…”

Plus scripted responses for issues regarding pay, benefits, and schedules
Scripts and Skills

Skills:

✓ Always take notes...to stay focused and record information
✓ Be a great listener...to build trust
✓ Remember to probe...to learn real, emotional reasons
✓ Take responsibility...for situations and action plans
✓ Action plan...with realistic solutions

Training must include role plays to be effective
Stay Interview Questions

1. When you travel to work each day, what things do you look forward to?
2. What parts of your job are the most enjoyable…or even the most fun?
3. What parts are most challenging?
4. What are you learning here? What do you want to learn?
5. How do you like working with other members of our team?
6. And what about me? What can I do to help you stay longer?
7. Are there specific reasons you can think of that could cause you to leave us?

Followed by summary and action plan steps, either then or on a committed date.
Bonus Advantage

**Point #2:** Employees stay for things they get uniquely from you

So collect your aggregated Stay Interview outcomes to form your *employee value proposition*... then drive your EVP through hiring, onboarding, communications, and managing every day!
Stay Interview Example

Situation: A rural 100-bed hospital with increasing turnover among nurses and licensed jobs

Solution: Implemented retention tools from Rethinking Retention® model including Stay Interviews

Outcome: So far turnover is down 43% against already-low turnover due to economy

Role-play example: Food Service Manager
Certified Employee Retention Program (CERP)
www.RetentionInstitute.com

- Provides tools to reduce your company’s turnover in real time, delivered online
- Stay Interviews are just one of 10 unique retention tools
- GOOD for your company and GREAT for your career! Awards up to 26 HRCI credits!

Free gift…Module #1

Email DFinnegan@RetentionInstitute.com with your name, company, title, email, and phone…and I’ll send login information